

UNITED STATES DISTRICT COURT FOR  
THE SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,  
Plaintiff,

v.

BLUEHIPPO FUNDING, LLC,

and

BLUEHIPPO CAPITAL, LLC,  
Defendants.

CIVIL NO. 08 CV 1819 (PAC)

**AFFIDAVIT OF JULIE A. MACK IN SUPPORT OF PLAINTIFF'S  
MOTION FOR ORDER TO SHOW CAUSE WHY DEFENDANTS  
BLUEHIPPO FUNDING, LLC AND BLUEHIPPO CAPITAL, LLC  
SHOULD NOT BE HELD IN CONTEMPT  
FOR VIOLATING THE STIPULATED FINAL JUDGMENT  
AND ORDER OF PERMANENT INJUNCTION**

1. I am an attorney for the Plaintiff, Federal Trade Commission (the "FTC" or "Commission"), and am an attorney in connection with the Commission's Motion for Order to Show Cause Why Defendants Bluehippo Funding, LLC and Bluehippo Capital, LLC Should Not be Held in Contempt for Violating the Stipulated Final Judgment and Order of Permanent Injunction (the "Motion to Show Cause"). I have personal knowledge of the facts set forth below, which are explained more fully in the Commission's supporting memorandum to the Motion to Show Cause.
2. Defendants received actual notice of the Stipulated Final Judgment and Order of Permanent Injunction (the "Final Order"), which is a specific and definite order of this Court.
3. Defendants failed to submit to the Commission, as is required by Section X.B of the

Final Order, a detailed Compliance Report, sworn to under penalty of perjury, that sets forth the manner and form in which they have complied and are complying with the Final Order. This report was due on October 7, 2008.

4. Defendants failed to submit to the Commission, as are required by Section IX.B of the Final Order, timely and responsive reports and documents that were requested by the Commission on January 29, 2009 and March 9, 2009 for the purpose of monitoring and investigating compliance with the Final Order. These reports and documents were due on February 5, 2009 and March 16, 2009, respectively. Defendants' response to the January 29, 2009 demand was incomplete. Defendants have yet to respond to the FTC's March 9, 2009 demand.

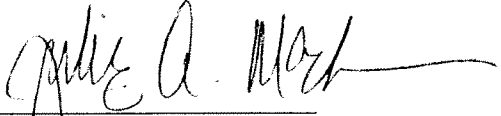
5. Defendants failed to provide to the Commission a "sworn affidavit," as is required by Section VI.A of the Final Order, attesting to the accuracy of a Consumer Database to be used by the Commission to determine the pool of consumers entitled to redress under the terms of the Final Order. This affidavit was due on May 12, 2008.

6. Although Defendants' counsel has represented that they would provide the overdue Compliance Report, complete responses to the requested reports and documents, and a sworn affidavit regarding their Consumer Database to the FTC, to date, they have failed to do so.

7. I have reviewed the record of complaints lodged against Defendants with the Better Business Bureau of Greater Maryland several times since December 2008. As of April 7, 2009, I have determined that there were over 1,200 complaints received since August 1, 2008. Similarly, I have reviewed the record of complaints lodged with the Commission and determined that there were over 150 complaints received since August 1, 2008.

I declare under penalty of perjury that the statements made in this Affidavit are true and correct.

Executed on April 7, 2009.

  
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Julie A. Mack